GOVERNMENT OF INDIA
CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION
LOK SABHA

STARRED QUESTION NO:207
ANSWERED ON:09.03.2000
LOSSES INCURRED BY FCI
BALIRAM

Will the Minister of CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Food Corporation of India suffered a loss of amount Rs.224 crore as aresult of procurement of paddy from the Punjab region during the year 1994-95 because of the nexus between the rice mill owners and Senior Regional Manager ;

(b) if so, the the details of the cases filed in various courts in this regard ;

(c) the additional amount of loss suffered by the F.C.I. on account of stamp duty, travelling allowance and advocates fee ;

(d) whether any punitive action has been taken by the Government against the guilty officers;

(e) if so, the details thereof ; and

(f) if not, the punitive action, the Government propose to take against the officers responsible for the loss suffered by the F.C.I. ?

Answer

MINISTER OF CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (SHRI SHANTA KUMAR)

(a),(b),(c),(d),(e) & (f) : A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a),(b),(c),(d),(e) & (f) OF THE STARRED QUESTION NO.207 FOR ANSWER IN THE LOK SABHA ON 09-03-2000

(a) : Food Corporation of India has begun the proceedings for a claim amounting to Rs.224crores for the loss of paddy stored with rice millers during the year 1994-95. So far as the nexus between rice millers and the then Senior Regional Manager is concerned, this has yet to be established after due enquiryfor which the Central Bureau of Investigation (CBI) have initiated a preliminary enquiry.

(b) : In all, there are 374 rice millers involved in the mis-appropriation of paddy which caused this loss. The arbitration proceedings are in progress against two of the rice millers. In the remaining 372 cases, the proceedings had been filed in the Delhi High Court, which have now delivered judgement.

(c) : The Government does not consider the amounts spent on pursuing the legal cases against the rice mills which misappropriated the paddy as a loss.

(d), (e) & (f) : The Government will not spare the officers/officials responsible for the above mentioned loss suffered on account of misappropriation of paddy. Already one Category I officer has been dismissed from service and 13 Category II and II officers/ officials have been awarded a major/minor penalties on their involvement having been established. More cases are under various stages of enquiry/action.